

SUMMARY OF THE 1997 GARAMENDI PROCESS AND FOLLOW-UP COMMENTS

Subject	Page
I) Reclamation stated Goal for Urban Water Reliability	1
II) Reclamation's 1997 Proposed Policy	2-3
III) Minimum Level of Reliability Comments	4-9
IV) Alternative Water Supply Comments	10-12
V) Conversion from Ag to M&I Comments	13-14
VI) Area of Origin Comments	15
VII) Unanswered Questions from the 1997 Administrative Proposal	16-17

Note: All quotations are taken from the CVPIA Administrative Proposal on Urban Water Supply Reliability dated June 9, 1997.

I. RECLAMATION’S STATED GOAL

Admin. Proposal Page No.		Follow-Up Comment
1-2	<p>“The goal of the M&I Water Shortage Policy was to develop a CVP-wide M&I water shortage provision that eventually would be negotiated with all CVP M&I contractors and incorporated into their contracts, provide a minimum level of water supply that, in combination with M&I contractors drought water conservation measures, would sustain urban areas during drought situations, and lastly provide sufficient information to urban contractors for use in development of future drought contingency planning. This proposal is not intended to adversely impact fulfillment of the environmental requirements of the CVPIA.”</p>	<p>The goal of the policy should reflect the need for a predictable, reliable, and high quality water supply. The policy should promote sound water management.</p> <p>Contract language needs to be developed that defines the criteria for when shortage allocations of greater than, less than or equal to 75% are triggered.</p> <p>Definitions of “minimum level” and “sustain urban areas during drought situations” need to be established. Those definitions should reflect the different needs of residential, commercial, and industrial customers.</p>

II. RECLAMATION'S PROPOSED 1997 POLICY

Admin.
Proposal
Page No.

Follow-Up Comment

-
- | | | |
|---|--|--|
| 4 | “Reclamation proposes to simplify and clarify the Draft M&I Water Shortage Policy that was released for comment in February 1994 by reducing the policy from three levels to two. One level will show the minimum level of reliability to be 75 percent of historic use adjusted for growth ⁶ and adjusted for quantities of water associated with the implementation of any extraordinary water conservation action and/or practice. ⁷ The second level will reflect a public health and safety level.” | Can handle M&I 75% allocation in extreme situation. What about shortages allocations during times when a “minimum level” is not needed? Need a method to predict allocations based on science and public review. Define “public health and safety” criteria. How is this level determined? |
| 6 | “As part of the historic use calculation for water shortage allocations, Reclamation would be willing to adjust the calculated urban contractor’s historic use quantity if an urban contractor could demonstrate that it used its supplemental water supplies first before using CVP water supplies. ⁸ The use of supplemental water supplies benefits the CVP during all water year types.” | Agree assuming the adjustment referred to is upwards. Need more clarity on how and when supplemental water supplies will be considered. |
| 7 | “Reclamation agrees with maintaining the same water shortage criteria as was applicable to the water before the transfer or conversion occurred on all actions after September 30, 1994. ...an urban contractor could request that a permanent conversion from an agricultural shortage to an M&I water reliability shortage be authorized provide that there are no adverse impacts to agricultural or other urban water supplies.” | What is significant about September 30, 1994? Agree with the concept that the conversion should avoid negatively impacting other contract supplies. |

II. RECLAMATION'S PROPOSED 1997 POLICY

**Admin.
Proposal
Page No.**

Follow-Up Comment

10 "Reclamation interprets 'historic use' as actual water diverted to satisfy demand."

"Historic Use" is problematic. There are a lot of adjustments requested, and in some cases there is no historic CVP demand established. Is there an alternate method that could be used for predicting and justifying demands that is based on standard practices; and subject to review by interested parties? Weather, soils, water quality, and other factors like alternate water supplies impact each contractor's calculation of "historic use" differently.

Footnote 6 "Adjusted for growth" refers to a process where by Reclamation reviews historical delivery records for past water usage and allows contractors to provide documentation to support any increases in the historical record baseline populations/industry. It would be capped at the level of full contractual amounts.

Footnote 7 An extraordinary water conservation action or practice is considered to be any conservation action or practice implemented by an urban contractor that is more stringent than required by Reclamation's "Criteria for Evaluating the Adequacy of All Water Conservation Plans" dated September 30, 1996, as amended, supplemented, or replaced.

Footnote 8 One urban contractor asked what would be the water allocation to an urban contractor who has not used CVP water in the past but may need to obtain CVP water during a water short year. Reclamation recognizes that this is a legitimate concern and Reclamation has worked in the past with such contractors and will work in the future with such contractors in allocating a water supply.

II. MINIMUM LEVEL OF RELIABILITY

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
3-5	“Urban contractors believe that a reliable water supply is needed to sustain the urban economy and support urban populations. ...long-term infrastructure and land use planning, as well as manufacturing, commercial, or residential capital investment, cannot be supported by short-term administrative policies affecting the reliability of urban water supplies.”	“Agricultural contractors believe that the CVP already is overly constrained and that the guarantee of any minimum level of reliability to one class of CVP urban contractors will impact agricultural water service users and should require a reallocation of CVP costs. Agricultural contractors believe that urban contractors should firm up their reliability through voluntary water transfers. ...any additional reliability should be through a willing buyer and seller arrangement. ...if a preference is given to urban contractors in water allocations during drought years, then agricultural interests should be compensated. ...there may be some agricultural	“...urban contractors need a minimum level of water supply reliability. ...water supplies available during below normal type water years require more stringent measures to ensure that available water is prudently and wisely used. ...urban contractors who receive this minimum level of reliability must be implementing significant water conservation practices.” “...Reclamation proposes to implement such an M&I Water Shortage Policy in a way that minimizes impacts to agricultural contractors.”	Need specific criteria for predicting shortages (suggest storage levels, inflows, and precipitation predictions be used). Need to be more specific on what conservation practices will need to be met. How will Reclamation do this?

II. MINIMUM LEVEL OF RELIABILITY

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
		contractors with particularly high value crops that may want to pay more for greater water supply reliability from the CVP.”		
9	<p>“We consider the 75-percent allotment of historical use to be the level of absolute minimum reliability assuming a proper determination of ‘historical use’ is used.”</p> <p>“Currently, the way historical use is calculated does not encourage conservation, reclamation, and acquisition of other supplies (local and otherwise). ...Historical use should be adjusted for growth, as it is now, but also adjusted up for any reductions in use due to conservation (drought related or otherwise), reclamation, or acquisition of external supplies.”</p>	<p>“CVP is now overallocated and adjustments for growth will almost certainly come out of agriculture. Reclamation should also include community provisions in its impact analysis and explore potential mitigation measures before this proposal is implemented.”</p>	<p>“Interior believes that implementation of conservation and reclamation measures should be an integral part of water supply planning by any water agency or contractor. ...a minimum level of reliability would be provided only to those contractors who have implemented significant water conservation practices.”</p> <p>“ ...support the concept that historical use should be adjusted for water conservation and/or reclamation provided that an urban customer could demonstrate that such conservation and/or reclamation practices were above and beyond the generally accepted water conservation and/or</p>	<p>Need to define specific conservation and reclamation measures.</p> <p>Need specific criteria used to determine practices that are “above and beyond”. How about providing incentives?</p>

II. MINIMUM LEVEL OF RELIABILITY

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
			reclamation standards or practices. It is not Reclamation's intent when calculating historic use of water under this Administrative Proposal to harm any urban customer who has an effective water conservation and/or reclamation program."	
			"Reclamation is committed to completing an analysis to identify and understand these impacts and to explore potential mitigation measures before any M&I water shortage policy is finalized."	Is this done?
10	"It would be reasonable to consider the quantity paid for according to the contract prior to passage of the CVPIA (October 1992) as a suitable starting point for 'historic use' for the purposes of a minimum allocation (recognizing that 'historic use' will build up over time.)"		"Reclamation recognizes a legitimate concern raised concerning reliability and allocations of CVP water to urban contractors who have not yet used CVP water. ...Reclamation met with M&I contractors who had little or no historical Project water use and together, Reclamation and the	Need specific approach to making allocations. Is there more than one equitable approach that may be utilized in different geographic locations?

II. MINIMUM LEVEL OF RELIABILITY

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
			M&I contractor(s), were able to determine an equitable water allocation.”	
10	“...Except in years of critical water supply availability, similarly situated M&I contractors within the same operational area should be able to expect the same allocation from Reclamation, regardless of what other sources of supply individual contractors may have. There are critical Project water supply conditions when all water users – agricultural, environmental, and urban – should have to justify their need for CVP water, and in this situation, other available supplies are fairly considered.”		“In concept, Reclamation agrees that urban contractors within the same geographic area should receive the same water allocation; however, as stated in our Administrative Proposal, there may come a time when the availability of other water supplies is part of the decisionmaking process.”	Define “same geographic area.” Does this refer to diversion point? The contractor needs to retain the discretion of use of CVP supply as integral to overall water supplies. Define when the availability of other water supplies becomes a part of the decision making process.
10-11	“Interior’s suggestion of a second tier for contractors with inadequate other supplies is only reasonable during extreme dry year conditions and, in such cases, the contractor		“...the concept of the second-tier water was added to solicit discussion...”	Has this been explored more?

II. MINIMUM LEVEL OF RELIABILITY

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
	should be expected to pay a premium price for such water.”			
11	“Clear guidelines should be developed as to how historic usage’ is calculated and exactly what a “minimum level of reliability” means.”		“An explanation of how to calculate historic use will be provided in the final M&I Water Shortage Policy paper. Reclamation will finalize its M&I Water Shortage Policy based on the premises described in this proposal unless modified as a result of impact analyses and the PEIS.”	Has this been done yet?
12	“If the proposal for a two-tier level of reliability intends that the first tier equal 75 percent and the second tier equal 75 to 100 percent, then the concept may merit further discussion.”		“The objective of the two-tier level of reliability would be to encourage the development of supplemental sources of supply and to discourage reliance on ‘hardship’ water from the CVP.”	This needs analysis and discussion.
13-14	“Additional language should be added to the Administrative Proposal which clarifies the role of ‘Urban Water Supply Reliability’ with respect to the CVPIA environmental and	“Urban, environmental, and landowner needs are no more or less important than the needs of human beings whose communities and livelihoods depend on reliable delivery of	“Interior would not expect an urban contractor to become a transferor during water short years.” “Interior recognizes its	Clarification needed. Define where the

II. MINIMUM LEVEL OF RELIABILITY

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
	transfer provisions.”	CVP water.”	stewardship responsibilities to the public and is sensitive to the needs of all the parties. It is our intent and hope to develop and implement policies in a manner that reflects the obligations and responsibilities entrusted to the Department of the Interior by the public.”	“obligations and responsibilities” come from.
14	“...the water supply contingency planning requirements contained in the California Act of October 12, 1995, should be more clearly connected to Reclamation’s urban water supply reliability policy.”		“The redraft of the Administrative Proposal provides a discussion of the contingency planning analysis required by the California Act and Reclamation’s role in clarifying the reliability of the CVP M&I supplies.”	Needs clarification.

IV. ALTERNATIVE WATER SUPPLIES

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
5-7	<p>“Urban contractors and other interests believe that the availability of other water supplies should not be taken into account by Reclamation in making allocations to M&I contractors. ...Urban contractors further state that by including available supplies from other sources... There would be no incentive for contractors to develop long-term water transfers, water banking programs, or other projects that increase the availability of dry year supplies. ...urban interests contend that all M&I contractors are allocated CVP costs on an equal basis and, therefore, it would be inequitable to create differences in the allocation of benefits. ...urban contractors also recognize that there may be times when water supply</p>	<p>“Agricultural contractors are concerned that limited CVP water supplies may be given to an M&I contractor that has the resources and capability of developing its own reliability.”</p>	<p>“It is not Reclamation/s intent to penalize any contractor who has a supplemental source of water supply when calculating the minimum level of water supply during water shortages. The decision of whether Reclamation will consider other sources of water supply available to its M&I contractors depends on the overall water year type and CVP system operational constraints.”</p> <p>“Reclamation will need to work with the contractors with diversified supplies on a contractor-by-contractor basis to ensure that Reclamation’s policy does not encourage water use simply to increase the amount calculated as an urban contractor’s historic use for purposes of having a larger allocation during critical water years.”</p> <p>“...to encourage other M&I contractors to firm up their existing</p>	<p>Need better criteria for when other sources are a factor. For example, what water year type and what operational constraints impact the decision to look at other supplies?</p> <p>Need a standard practice or procedure applied to all.</p> <p>This needs analysis and discussion.</p>

IV. ALTERNATIVE WATER SUPPLIES

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
	conditions are so critical that all sources of supply must be taken into account when making CVP allocations, such as when the CVP cannot deliver a minimum supply to the wildlife refuges or when deliveries to agriculture are so low that maintenance of trees and vines is in jeopardy.”		supplies, Reclamation could propose a two-tier level of reliability. The first tier would be given to M&I contractors as a minimum reliability level regardless of other supplies. The second tier would be a higher percentage, but would require an M&I contractor to pay a charge for this additional level of reliability.”	
11	<p>“Other urban contractors state they do not have the financial resources to develop alternative sources of supply, and they need greater protection in shortage situations.”</p> <p>“Under no circumstances, other than a declared emergency or severe drought (of the health-and-safety level), should a contractor get a CVP allotment that is based in whole or in part on the fact that the contractor has acquired water through transfers or obtained other supplies for use</p>		<p>“Reclamation proposes to consider other sources of water supply, in conjunction with water year type and CVP operational considerations, on a contractor-by-contractor basis when setting minimum levels of reliability.”</p>	This response confuses when alternate supplies are taken into consideration.

IV. ALTERNATIVE WATER SUPPLIES

Admin. Proposal Page No.	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
	in a drought.”			

V. CONVERSION FROM AG TO M&I

Admin. Proposal Page No	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
7	“...urban contractors believe that the reliability associated with the conversion of water from agriculture to M&I use could be permitted provided that the changes occurred over a specific number of years. ...urban interests believe that increased reliability could be earned by water supply contractors with a proven history of efficient conservation.”	“Agricultural interests believe that the water shortage criteria which applies to agricultural water converted to M&I water through contract assignment or water transfers should not change because of such conversion or water transfer.”	<p>“Interior believes that the draft M&I Water Shortage Policy, once finalized, should apply only to that portion of CVP water used historically for M&I purposes and identified as projected M&I demand as of September 30, 1994.”</p> <p>“... an urban contractor could request that a permanent conversion from agricultural shortage to an M&I water reliability shortage be authorized , provided that there are no adverse impacts...”</p>	<p>What if demand projections changed after 9-30-94?</p> <p>Define the criteria for determining “adverse impacts”.</p>
12-13	“CVP water that is given the M&I level of reliability should be defined at that portion of a contract supply shown in the 1993 M&I Rae Books as the build-out amount on the 50 year delivery schedule. ...under a		“...this urban reliability policy should only apply to M&I that has been historically used and identified as projected demand as of September 30, 1994. Interior believes that any water from a permanent transfer or assignment of CVP water that occurs after September 30, 1994, from	What is the significance of 9-30-94? Need to explore regional issues related to conversion of Ag to M&I.

V. CONVERSION FROM AG TO M&I

Admin. Proposal Page No	M&I Interest	Ag Interest	Reclamation Response	Follow-Up Comment
	permanent transfer or assignment of CVP water from agricultural to M& purposes, the transferee should be able to request a permanent conversion from agricultural to M&I reliability.”		agricultural to M&I purposes should retain the agricultural shortage. The transferee or assignee may request that water obtained be eligible for M&I reliability, but any adverse impacts to agricultural water supplies must be fully mitigated by the transferee or the assignee.”	

VI. AREA OF ORIGIN

Admin. Proposal Page No	M&I Interest	Reclamation's Response	Follow-Up Comment
13-14	<p>“Of critical importance to this and other Administrative Proposals will be how Reclamation intends to interpret and incorporate ‘area of origin’ provisions into the implementation of the CVPIA. We strongly encourage that this interpretation includes reference to and satisfies the provisions of the Delta Protection Act (DPA).”</p> <p>“Under the Coordinated Operations Agreement, the CVP could work out an arrangement with the State Water Project (SWP) to share responsibility for providing contractors with “an adequate water supply” as required by the DPA. The SWP recognizes 100 percent reliability for water users in the area of origin. The CVP should also recognize its responsibility under the DPA.”</p>		How does Reclamation intend to implement state laws concerning area/watershed of origin and Delta Protection in dealing with shortages?
14	“The watershed of origin priority should have been addressed in the Administrative Proposal.”	“Interior intends to provide its understanding of California law on area of origin priority in a separate document.”	When?

Question No.	Admin. Proposal Page No.	VII. QUESTIONS RAISED IN THE 1997 ADMINISTRATIVE PROPOSAL	Follow-Up Comment
1	1	“Draft Administrative Proposal on Urban Water Supply Reliability on June 14, 1996... comments on the draft proposal were received from seven parties.”	Please provide copies of all comments received.
2	2	“On October 12, 1995, California State Senate Bill 1011 (California Act) was signed into law. The California Act highlighted the concerns of the CVP urban contractors by emphasizing the critical importance of urban water supply reliability by requiring urban suppliers to prepare a water shortage contingency analysis detailing specific actions they must take during water shortages. It also requires urban water suppliers to accomplish an assessment of the reliability of its water service to its customers.”	Is Reclamation considering Urban Water Master Plans in its urban water reliability planning?
3	4	“‘Criteria for Evaluating the Adequacy of All Water Conservation Plans’ dated September 30, 1996, as amended, supplemented, or replaced.”	Please provide copies of this criteria.
4	5	“An analysis will be done to quantify any impacts and explore possible mitigation measures before this policy is finalized.”	Has the analysis been done? Can we get copies?
5	10	“Reclamation is committed to completing an analysis to identify and understand these impacts and to explore potential mitigation measures before any M&I water shortage policy is finalized.”	Has the analysis been done? Can we get copies?
6	6	“The two-tier level of reliability may be explored in future discussions.”	Has this been explored?
7	11	“An explanation of how to calculate historic use will be provided in the final M&I Water Shortage Policy paper.”	Has an explanation been developed?
8	14	“...implement policies in a manner that reflects the obligations and responsibilities entrusted to the Department of the Interior by the public.”	Where are the “obligations and responsibilities”

Question No.	Admin. Proposal Page No.	VII. QUESTIONS RAISED IN THE 1997 ADMINISTRATIVE PROPOSAL	Follow-Up Comment
			derived from?
9	14	“Interior intends to provide its understanding of California law on area of origin priority in a separate document.”	Has this been done yet? If not, by when?